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July 6, 2018

Ref: P18865-02E

To: Mr. Jake Market
 Operations & Resources
 Miller Boat Line
 535 Bayview Avenue
 Put-in-Bay, OH 43456

Subject: **Miller Boat Line New Auto/Passenger Ferry Regulatory Drawing Package Development Proposal**

References: a. Telcon between J. Market and M. Complita, 7/28/18
 b. Miller Boat Line New Auto/Passenger Ferry, EBDG contract drawing package

Enclosure: Proposed List of Deliverables

Dear Jake:

It is our understanding that Miller Boat Line (Miller Boat) is interested in possibly proceeding with development of the United States Coast Guard (USCG) drawing review and approval package for your new 140' Auto/Passenger Ferry ahead of shipyard contract award. As discussed (Reference a), this approach will benefit Miller Boat by reducing your risk for potential change orders and reducing the construction schedule.

The following letter outlines our proposed scope of work to complete the majority of the drawing package that will be required for submittal to the USCG. Our work under this phase will build on the contract drawing package that we have previously developed. We will continue to work closely with you during this phase to ensure that design details and arrangements meet with your satisfaction. We will also serve as the single point of accountability with the USCG during the review process to manage all submittals and address all comments and questions.

Elliott Bay Design Group (EBDG) is pleased to offer the following proposal for your consideration.

SCOPE OF WORK

Regulatory Approval Plans and Documents

Enclosed is a list of "functional" plans and documents which EBDG anticipates will be required for USCG review and approval. With the exception of the final as-built stability calculations and the electrical system details, this list, along with the contract plan package

that has already been developed, represents what we believe to be the complete list of submittals that the USCG will require for review. EBDG will develop all listed drawings and documents to a level of detail which satisfies the USCG.

Regulatory Submission and Liaison

EBDG will submit all contract and functional engineering drawings and documents to the USCG for review and approval via email to the Marine Safety Center (MSC) in accordance with their eCommerce policies and procedures. EBDG will update all submittals as required based on USCG review. All returned approvals will be compiled into a file folder to be provided to your selected shipyard and local USCG inspector at the time of contract award.

Miller Boat will be copied on all USCG submittals, communications and approvals.

General

As with the contract design phase, all documentation and digital information will be submitted to you electronically via email.

ASSUMPTIONS & EXCLUSIONS

Assumptions

- Approval for submittal to the USCG shall constitute your acceptance of the associated drawing/document.
- Additional drawings and documents requested by the USCG for review which are not included in the enclosed list of deliverables will be addressed by your selected shipyard or as a change order between Miller Boat and EBDG. These may include but are not limited to the following:
 - Machinery space ventilation
 - HVAC system
 - Hydraulic system
 - Fixed fire detection, alarm and extinguishing systems
 - Rotating machinery guard details
 - Tank level indicator settings and details
 - Nameplates and markings
 - Integrated interior communications and CCTV
 - GPS, AIS, VHF, radar and depth sounder wiring and antenna placement
 - Emergency shutdown wiring diagrams
 - DC electrical system
 - Updated One-Line Diagram and Loads Analysis
 - Fault Current Analysis
 - Breaker Coordination Study
 - Switchboard drawings

Miller Boat Line
July 6, 2018

Ref. P18865-02E

Page 3

- Structural Lofting and mechanical systems modeling, spools and arrangement drawings will be contracted separately by your selected shipyard to EBDG or another design agent.
- Drawing revisions to reflect the as-built condition will be addressed by the shipyard.

Please also note EBDG shall not accept liability for construction costs incurred prior to receipt of the USCG review comments. All regulatory review fees, if any, shall be the responsibility of others.

FEE INFORMATION

We have priced this scope of work to include the deliverables described above. As the project proceeds, the scope and deliverables may change. We will communicate any such changes with you immediately for discussion and resolution. EBDG shall be entitled to an increase in compensation and/or time for any changes made in the scope of services based on our current rates. Should the project duration exceed 12 months, EBDG reserves the right to use its then current billing rates.

EBDG will accomplish the scope of work detailed above according to the following fee schedule:

Regulatory Approval Plans and Documents	\$182,690
<u>Regulatory Submission and Liaison</u>	<u>\$7,640</u>
Total	\$190,330

In recognition of our strong positive relationship on the first phase of the project, we will waive our usual requirement for deposit.

EBDG invoices semi-monthly on a percent complete basis and payment is due within 30 days. Payment status is required to be current for release of future deliverables and invoices that are not paid within terms shall be subject to finance charges per the contract.

This quote is valid for 30 days and is subject to prior commercial commitment.

CLIENT RESPONSIBILITY

Timely response by your team is essential to maintaining the project schedule. We ask that requests for information, questions and detail sketches be addressed within two business days. Untimely review may result in an extended project schedule and additional project management fees.

You shall be entitled to one review cycle for all final drawings and documents. You shall be entitled to additional review cycles if significant errors are identified in EBDG's

Miller Boat Line
July 6, 2018

Ref. P18865-02E

Page 4

deliverables. Errors in EBDG's drawings and documents will be corrected at EBDG's expense throughout the duration of the project.

Significant deviations from the contract plans to accommodate your construction preferences will need to be addressed at the start of the project to prevent potential schedule delays and cost changes.

SCHEDULE

We anticipate submittal of the updated contract plans and documents to the USCG within three (3) weeks of notice to proceed. Additional plans and documents will be submitted in small groups as they are completed.

We anticipate a total duration of 8 to 10 weeks to complete the full work scope. It is not necessary that the scope of work be completed or the USCG approvals be received in order for you to sign the contract with your selected shipyard. If you do sign a contract ahead of our completion of the scope of work, we will gladly adjust our development and delivery schedule for any outstanding drawings to align with the shipyard's needs.

STAFF

I will serve as Principal in Charge for this project to ensure timely completion and your satisfaction with our performance and deliverables. Upon contract award, we will select a Project Manager and an experienced and dedicated team from our staff of more than 50 engineering, design and administrative professionals to provide you with exceptional service.

CONTRACT TERMS

The Professional Services Agreement date November 1, 2017 for the original contract design phase shall also apply to this new scope of work.

CONFIDENTIALITY

This Proposal and any Addenda ("Proposal") are the exclusive property of Elliott Bay Design Group LLC and are delivered only for the purpose of enabling the client to evaluate the Proposal. The information contained in the Proposal is confidential and may not be reproduced in whole or in part or disclosed to a third party without the prior written consent of Elliott Bay Design Group LLC.

Miller Boat Line
July 6, 2018

Ref. P18865-02E

Page 5

We very much appreciate your active engagement on the design development thus far and look forward to supporting you and your selected shipyard as we move into the USCG review and construction phase.

If this proposal is acceptable, please sign below and return to my attention so that we may proceed.

Please contact me via email at mcomplita@ebdg.com or by phone at (206) 204-1307 if you have any questions or wish to discuss the details of our proposal.

Sincerely,



Michael J. Complita, PE, PMP
Principal in Charge

cc: Joe Pritting, EBDG
David Turner, EBDG

Accepted by: _____ Date: _____

Name (printed): _____

Title: _____ P.O. #: _____
(If required on invoices)



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Enclosure – Proposed List of Regulatory Approval Plan and Document Deliverables

1. Weld Schedule
2. Navigation Lighting Arrangement
3. Bulwark Details
4. Handrail Details – interior and exterior
5. Independent Tank Structural Details
6. Hull Structural Closures Schedule
7. Window and Fixed Light Schedule
8. Ramp Structural Details
9. Machinery Arrangement
10. Shafting and Rudder Arrangement and Details
11. Bow Thruster Arrangement and Details
12. Deck Drains Arrangement and Details
13. Waste Oil System Arrangement and Details
14. Compressed Air System Arrangement and Details